September 20, 2010

Sale Report

Barron County, Wisconsin

Minnesota
Offices also in Wisconsin and Illinois

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Barron County, Wisconsin
Results of Bond Sale – September 20, 2010

$8,820,000
General Obligation Refunding Bonds, Series 2010C

Purpose: To finance the full net cash refunding of the $9,000,000 General Obligation Justice Center Bonds, Series 2002, dated December 30, 2002 and the current refunding of the 2011 through 2013 maturities of the $3,695,000 General Obligation Promissory Notes, Series 2003, dated October 8, 2003.

Rating: Standard & Poor's AA-

Number of Bids: 5

Purchaser: Robert W. Baird & Company, Inc., in Milwaukee, Wisconsin

True Interest Cost: 2.4385%

Summary of Results:	**Projected**	**Results of Sale**
Principal Amount *:	$8,955,000	$8,820,000
Underwriting Discount:	$89,550	$52,108
True Interest Cost:	2.5942%	2.4432%
Cost of Issuance:	$50,000	$50,000
Coupon Rates:	.55% - 3.15%	2.00% - 3.00%
Present Value Savings:	$465,584	$550,570
Savings Percentage:	5.222%	6.176%
Future Value Savings:	**$540,102**	**$635,439**

Closing Date: October 13, 2010

Board Action: Resolution Authorizing The Issuance And Sale Of $8,820,000 General Obligation Refunding Bonds, Series 2010C

Attachments:
- Bid Tabulation
- Updated Debt Service Schedule & Savings Analysis
- Standard & Poors Rating Analysis
- Bond Resolution (Distributed in Board Packets)

* The size of the bond issue changed from the projected amount due to a reduction in bond proceeds needed and a reduction in underwriters' discount.

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BID TABULATION

$8,955,000* General Obligation Refunding Bonds, Series 2010C

BARRON COUNTY, WISCONSIN

SALE: September 20, 2010

AWARD: BAIRD

RATING: Standard & Poor's Credit Markets "AA-" **BBI:** 3.89%

NAME OF BIDDER	MATURITY (December 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BAIRD	2011	2.000%	0.750%	$8,998,193.20	$1,462,227.22	2.4385%
Milwaukee, Wisconsin	2012	2.000%	0.850%			
C.L. KING	2013	2.000%	1.000%			
COASTAL SECURITIES	2014	2.000%	1.230%			
LOOP CAPITAL	2015	2.000%	1.590%			
KILDARE CAPITAL	2016	2.000%	1.860%			
ISAAK BOND	2017	2.250%	2.130%			
SAMCO	2018	2.500%	2.380%			
CREWS & ASSOCIATES	2019	2.625%	2.580%			
JACKSON SECURITIES	2020	2.750%	2.750%			
WEDBUSH	2021	2.750%	2.880%			
VINING SPARKS IBG, L.P.	2022	3.000%	3.030%			
CRONIN & CO.						
COUNTRY CLUB BANK						
NW CAPITAL MARKETS						
WELLS FARGO ADVISORS	2011	2.000%		$8,948,277.90	$1,497,589.43	2.5063%
St. Louis, Missouri	2012	2.000%				
	2013	2.000%				
	2014	2.000%				
	2015	2.000%				
	2016	2.000%				
	2017	2.100%				
	2018	2.300%				
	2019	2.500%				
	2020	2.625%				
	2021	3.000%				
	2022	3.000%				

*Subsequent to bid opening the issue size was decreased to $8,820,000 with the 2011 maturity decreased $45,000 to $805,000, the 2012 maturity decreased $35,000 to $860,000, the 2013 maturity decreased $20,000 to $885,000, the 2014 maturity decreased $10,000 to $545,000, the 2015 maturity decreased $5,000 to $570,000, the 2017 maturity decreased $5,000 to $600,000, the 2018 maturity decreased $5,000 to $745,000, the 2020 maturity decreased $5,000 to $795,000, and the 2022 maturity decreased $5,000 to $825,000 in maturity value.

Adjusted Price - $8,861,415.53
Adjusted Net Interest Cost - $1,453,865.72
Adjusted TIC - 2.4432%

NAME OF BIDDER	MATURITY (December 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
M & I MARSHALL & ILSLEY BANK	2011	1.500%		$9,053,405.20	$1,534,908.13	2.5408%
Milwaukee, Wisconsin	2012	1.500%				
	2013	1.500%				
	2014	1.750%				
	2015	2.000%				
	2016	2.500%				
	2017	2.500%				
	2018	2.750%				
	2019	3.000%				
	2020	3.000%				
	2021	3.250%				
	2022	3.250%				
BMO CAPITAL MARKETS GKST INC.	2011	2.000%		$9,128,742.65	$1,599,220.68	2.6333%
Chicago, Illinois	2012	2.000%				
	2013	2.000%				
	2014	2.000%				
	2015	2.000%				
	2016	2.500%				
	2017	3.000%				
	2018	3.000%				
	2019	3.000%				
	2020	3.250%				
	2021	3.500%				
	2022	3.500%				
BANKERS' BANK	2011	0.800%		$8,919,180.00	$1,585,394.83	2.6427%
Madison, Wisconsin	2012	1.000%				
DAIRY STATE BANK	2013	1.050%				
	2014	1.300%				
	2015	1.600%				
	2016	1.800%				
	2017	2.200%				
	2018	2.500%				
	2019	2.900%				
	2020	3.100%				
	2021	3.300%				
	2022	3.400%				

Barron County, WI

Net Cash Advance Refunding of Series 2002 G.O. Justice Center Bonds
Current Refunding of Series 2003 G.O. Promissory Notes

Existing Debt Service

$9,000,000
G.O. Justice Center Bonds, Series 2002 - Dated 12/30/2002
$3,695,000
G.O. Prom. Notes, Series 2003 - Dated 10/8/2003

New Debt Service

$8,820,000
G.O. Refunding Bonds, Series 2010C
Dated 10/13/2010

Fiscal Year	Principal 12/1	Rate (2002 & 2003)	Interest	Net Debt Svc.	Principal 12/1	Rate	Interest	Net Debt Svc.	Savings
2011	$750,000	3.750% & 3.100%	$347,903	$1,097,903	$805,000	2.000%	$234,494	$1,039,494	$58,409
2012	$790,000	3.750% & 3.300%	$321,858	$1,111,858	$860,000	2.000%	$190,806	$1,050,806	$61,051
2013	$830,000	3.750% & 3.350%	$287,794	$1,117,794	$885,000	2.000%	$173,606	$1,058,606	$59,187
2014	$490,000	4.000%	$263,560	$753,560	$545,000	2.000%	$155,906	$700,906	$52,654
2015	$520,000	4.050%	$243,960	$763,960	$570,000	2.000%	$145,006	$715,006	$48,954
2016	$545,000	4.200%	$222,900	$767,900	$585,000	2.000%	$133,606	$718,606	$49,294
2017	$575,000	4.250%	$200,010	$775,010	$600,000	2.250%	$121,906	$721,906	$53,104
2018	$730,000	4.300%	$175,573	$905,573	$745,000	2.500%	$108,406	$853,406	$52,166
2019	$770,000	4.350%	$144,183	$914,183	$775,000	2.625%	$89,781	$864,781	$49,401
2020	$805,000	4.350%	$110,688	$915,688	$795,000	2.750%	$69,438	$864,438	$51,250
2021	$850,000	4.400%	$75,670	$925,670	$830,000	2.750%	$47,575	$877,575	$48,095
2022	$860,000	4.450%	$38,270	$898,270	$825,000	3.000%	$24,750	$849,750	$48,520
Total	$8,515,000		$2,432,366	$10,947,366	$8,820,000		$1,495,281	$10,315,281	$632,085

Plus Rounding: $3,354

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Total Cash Flow (Future Value) Savings =	$635,439
Average Annual Savings =	$52,953
Net Present Value Benefit of 6.176% =	**$550,570**

Issue Detail

Sources of Funds

Par Amount of Bonds:	8,820,000
Reoffering Premium:	93,524
Total Sources of Funds:	**8,913,524**

Uses of Funds

Underwriter's Discount:	52,108
Costs of Issuance:	50,000
Deposit to Refunding Fund:	8,808,062
Rounding Amount:	3,354
Total Uses of Funds:	**8,913,524**

Cost of Funds Calculations

Avg. Coupon:	2.5339%
Net Interest Cost (NIC):	2.4637%
True Interest Cost (TIC):	2.4432%
All Inclusive Cost (AIC):	2.5372%

Summary:

Barron County, Wisconsin; General Obligation

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Summary:

Barron County, Wisconsin; General Obligation

Credit Profile		
US$8.955 mil GO rfdg bnds ser 2010C dtd 10/13/2010 due 12/01/2011-2022		
Long Term Rating	AA-/Stable	New
Barron Cnty GO		
Long Term Rating	AA-/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA-' long-term rating to Barron County, Wis.' series 2010C general obligation (GO) refunding bonds. At the same time, Standard & Poor's affirmed its 'AA-' rating on the county's existing GO debt. The outlook is stable.

The rating reflects our view of the county's:

- Somewhat diverse local economy based on agriculture, food processing, tourism, and health care;
- Adequate income levels;
- Positive financial operations with good financial management and very strong reserves; and
- Low overall debt burden with rapid amortization.

The county's full faith and credit unlimited-tax pledge secures the series 2010C bonds. The county will use bond proceeds to refund its series 2002 GO Justice Center bonds and the 2011-2013 maturities of its 2003 GO promissory notes.

Barron County is located in northwestern Wisconsin; the county seat, the City of Barron, is about 40 miles north of Eau Claire, Wis. The county's population has increased 18% since 1990 to an estimated 48,200 today. County officials attribute much of the recent residential growth to retirees moving to the area. Barron County's economy is anchored by agriculture (mainly truck farming and dairy), food processing, and health care. The county, with its forests and 300 lakes, also benefits from year-round tourism. The leading local employers include Jennie-O Turkey (turkey farming and processing, 1,610 employees), St. Croix Casino & Hotel (900), Lakeview Medical Center (480), Luther Midelfort Northland-Mayo Health System (460), and Rice Lake Area School District (425). In addition, some residents commute to Eau Claire, Menomonie, Wis., and Minneapolis for employment. The county's median household effective buying income is adequate, in our opinion, at 88% of the state and 84% of the national levels. The county's unemployment rate averaged 7.6% through June 2010, lower than the state and national averages.

The county's equalized value has declined the past three years, including a 5.6% drop in 2010, to $3.68 billion. Equalized value per capita is a strong $76,434 per capita. The tax base is diverse, with the 10 largest taxpayers accounting for only 2.7% of equalized value.

The county reported general fund surpluses in at least the past four audited fiscal years through 2009 (fiscal years ended Dec. 31). As a result, the general fund balance grew to $15.25 million, or 74.6% of expenditures. Of that amount, $9.77 million is unreserved, which is, in our view, a very strong 47.8% of expenditures. Property taxes provided 49.5% of total general fund revenues in fiscal 2009, while intergovernmental funds (mostly state revenue sharing) accounted for 32%. In fiscal 2010, management is projecting break-even operations after an approximate $375,000 transfer to the general fund from the health and human services fund. Management attributes the balanced operations to staff reductions and conservative budgeting. In fiscal 2011, management expects to use $295,000 in reserves in an attempt to comply with state guidelines pertaining to maximum allowable level of general fund reserves. The county raised its property taxes only 2.0%, leaving it $283,000 below its state-mandated levy cap.

The county's financial practices are considered "good" under Standard & Poor's Financial Management Assessment (FMA) methodology. An FMA of "good" indicates that practices exist in most areas, although not all may be formalized or regularly monitored by governance officials. Management reviews revenues and expenditures on a monthly basis and provides the board with quarterly budget reports. Management plans its annual budgets with the help of five-year financial projections and a 15-year capital improvement plan. The county's formal reserve policy requires the maintenance of a general fund cash reserve equaling 25% to 33% of budgeted operating expenditures.

The county's overall debt burden, including overlapping debt, is low at $1,915 per capita and 2.4% of market value. Debt service carrying charges were a low 5.8% of total governmental expenditures in 2009. Amortization is very rapid, with all of the county's GO debt scheduled to mature by 2022. We understand that the county does not have formalized plans for additional debt at this time.

Outlook

The stable outlook reflects our expectation that the county will maintain at least balanced operations and strong general fund reserves due to its good financial and budgeting practices.

Related Criteria And Research

USPF Criteria: GO Debt, Oct. 12, 2006

Complete ratings information is available to RatingsDirect subscribers on the Global Credit Portal at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.